Convention for the Safety of Life at Sea, 1974 and the International Code for the Security of Ships and Ports Facilities (ISPS Code) to enhance maritime security. The enhanced security measures will be applicable to foreign going merchants ships and port facilities which will become effective from 1st July, 2004. It has been evaluated that about 200 foreign going ships, 12 major ports and about 30 minor ports in the country are required to comply with the provisions of IMO's ISPS Code. The Government has nominated Director General of Shipping as the "Designated Authority" to oversee the implementation of new security regulations.

(c) and (d) The inspection of cargo in ports is done by Customs Department based on their assessment of the need of doing so. Since the time required for the examination is in the knowledge of the shipper, the cargo is generally brought well ahead of shipment and the examination formalities are completed. Therefore, there is no delay in shipment of cargo.

Vallarpadam Transshipment Hub of Cochin

611. MISS MABEL REBELLO: Will the Minister of SHIPPING be pleased to state:

(a) the status of Vallarpadam transshipment hub of Cochin;

(b) how many parties have put in their bid for this project;

(c) by when this project would be completed and what is the cost involved in this project; and

(d) what benefits would accrue to the country from this project in the next five years?

THE MINISTER OF STATE IN THE MINISTRY OF SHIPPING (SHRI DILIP KUMAR MANSUKHLAL GANDHI): (a) and (b) The process of selection of the BOT operator commenced in October, 2002 with the invitation of 'Request for Qualification' (RFQ) and based on the Request received, 2 firms (i) M/s, CSX World Terminals, UK and (ii) M/s. Maersk A/S, Denmark were qualified for bidding. The Draft Licence Agreement was issued to these two firms in February 2003 and after detailed discussion and negotiations, the finalised Draft License Agreement was issued to them on 23.7.2003 for submitting the price proposal on 12.9.2003. Even though they had confirmed that they would submit

the price proposals on the due date, they did not submit the same and they submitted counter proposals seeking more concessions and relaxation in the conditions in the License Agreement. These proposals were considered by the Port Trust Board and found that they are not acceptable. The matter was examined in detail by the Cochin Port Trust Board and the Ministry of Shipping. Subsequently, an interactive meeting was held with 13 prospective bidders/Terminal operators/ Shipping Lines at Mumbai on 18.11.2003 and 19.11.2003. The Cochin Port is working on the re-designing of the project and re-defining the Concession Agreement.

(c) As per the existing bid conditions, the selected operators shall operate the existing terminal for an initial period of 5 years during which period the construction of Vallarpadam Terminal would be completed and operation shifted to that location. However, the pre-qualified bidders as detailed in Para (b) above have requested for shifting to Vallarpadam with respect to traffic build up and the time they have indicated is about 10 years. Therefore, the time of completion will depend on the finalization of the Agreement with the selected operator. The terminal is proposed to be developed in stages with a total investment to the tune of Rs. 2118 crores. Apart from this, the supporting infrastructures like deeper and wider channels by dredging the existing channel, National Highway connectivity and rail connectivity to the proposed project area are to be provided separately, the total estimated cost of which is more than Rs. 800 crores.

(d) As an initial step for the development of Vallarpadam Transshipment Terminal, the port has decided to develop the existing terminal to receive mainline vessels. This development will enable handling of containers without transshipment thereby saving the substantial cost involved for transshipment of Cochin Port containers at third country ports. However, when the Vallarpadam Container Transshipment Terminal is established, it would attract large size mother container vessels plying through the International Trunk route and containers from India can be brought by road, rail or sea route for shipment to destination. This would save transshipment cost and also there will be freight saving due to the transport of containers large vessels.

Vallarpadam Container Terminal in Kerala

612. SHRI A. VIJAYARAGHAVAN: Will the Minister of SHIPPING be pleased to state: